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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the period ended March 31, 1992

[ ] TRANSACTION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number: 0-18849

Wisconsin Pharmacal Company, Inc.
(Exact name of registrant as specified in its charter)

Wisconsin	39-1144397
(State of Incorporation)	(IRS Employer Identification Number)

N168 W22223 Main Street, Jackson, WI	53037
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (414)677-4121

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities and Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days.

YES X NO ___

Indicate the number of shares outstanding of each of the Issuer's classes of common stock, as of the close of the period covered by this report.

Class	Outstanding at April 30, 1992
Common Stock $.01 par value	3,522,201

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FORM 10-Q

WISCONSIN PHARMACAL COMPANY, INC.

INDEX

Part I. Financial Information:	Page
Unaudited Condensed Consolidated Balance Sheets - March 31, 1992 September 30, 1991 and March 31, 1991	3
Unaudited Condensed Consolidated Statements of Operations - Three Months Ended March 31, 1992 and March 31, 1991	4
Unaudited Condensed Consolidated Statements of Operations - Six Months Ended March 31, 1992 and March 31, 1991	5
Unaudited Condensed Consolidated Statements of Cash Flows - Six Months Ended March 31, 1992 and March 31, 1991	6
Notes to Unaudited Condensed Consolidated Financial Statements	8
Management's Discussion and Analysis of Financial Condition and Results of Operations	12
Part II. Other Information	
Item 1. Legal Proceedings	20
Item 6. Exhibits and Reports on form 8-K	20
Signatures	21

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WISCONSIN PHARMACAL COMPANY, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

ASSETS	March 31, 1992	September 30, 1991	March 31, 1991
Current Assets:			
Cash and cash equivalents...	$ 48,748	$ 1,546,508	$ 1,083,000
Trade accounts receivable...	3,386,005	707,713	2,371,000
Inventories...	2,844,392	1,681,554	2,246,000
Prepaid expenses and other current assets...	300,537	289,015	83,000
Total Current Assets...	6,579,682	4,224,790	5,783,000
Prepaid royalties...	2,215,600	2,215,600	2,216,000
Other assets...	276,128	277,461	298,000
Patent, net of accumulated amortization of $7,000...	955,000	--	--
Equipment and leasehold improvements...	2,884,560	2,591,026	1,812,000
Less accumulated depreciation & amortization...	(1,198,279)	(1,083,671)	(975,000
	1,686,281	1,507,355	837,000
	$11,612,691	$ 8,225,206	$ 9,134,000
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities:			
Notes payable...	$ 1,750,000	$ 25,000	$ 75,000
Trade accounts payable...	2,345,555	460,464	1,724,000
Accrual for patent lawsuit and related costs...	218,702	2,000,000	--
Accrued expenses and other current liabilities...	302,646	336,507	270,000
Current portion of long-term debt...	57,400	51,097	584,000
Total Current Liabilities..	4,674,303	2,873,068	2,653,000
Long-term debt...	93,719	612,354	374,000
Minority interest...	--	29,891	--
Redeemable Common Stock (135,000 shares outstanding, redemption value of $11.00 per share).	1,485,000	--	--
Stockholders' Equity:			
Common Stock...	35,223	32,781	33,000
Paid-in-capital...	7,873,790	7,162,022	7,162,000
Accumulated deficit...	(2,549,344)	(2,484,910)	(1,088,000
Total Stockholders' Equity...	5,359,669	4,709,893	6,107,000
	$ 11,612,691	$ 8,225,206	$ 9,134,000

See notes to unaudited condensed consolidated financial statements.

3/34

WISCONSIN PHARMACAL COMPANY, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended March 31	
	1992	1991
Revenues		
Product Sales	$ 4,237,175	$ 3,463,000
Royalties	--	75,000
	4,237,175	3,538,000
Cost of products sold	2,393,664	2,018,000
	1,843,511	1,520,000
Expenses:		
Selling	1,273,391	798,000
General and administrative	371,554	264,000
Research and new product development	348,618	217,000
Patent lawsuit provision reversal	(687,458)	--
	1,306,105	1,279,000
Operating Income	537,406	241,000
Non-Operating Income (Expense):		
Interest Income	530	44,000
Interest Expense	(49,091)	(35,000)
Other	(7,591)	(8,000)
	(56,152)	1,000
Income Before Minority Interest	481,254	242,000
Minority Interest	(88,278)	(95,000)
Net Income	$ 392,976	$ 147,000
Net Income Per Common and Common Equivalent share	$ .10	$ 0.04
Weighted Average Number of Common and Common Equivalent Shares Outstanding	3,857,339	3,284,000

See notes to unaudited condensed consolidated financial statements.

WISCONSIN PHARMACAL COMPANY, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Six Months Ended March 31	
	1992	1991
Revenues		
Product Sales	$ 5,169,750	$ 4,642,000
Royalties	75,000	150,000
	5,244,750	4,792,000
Cost of products sold	2,895,751	2,670,000
	2,348,999	2,122,000
Expenses:		
Selling	1,624,391	1,187,000
General and administrative	698,663	578,000
Research and new product development	539,528	312,000
Patent lawsuit provision reversal	(687,458)	--
	2,175,124	2,077,000
Operating Income	173,875	45,000
Non-Operating Income (Expense):		
Interest Income	13,668	126,000
Interest Expense	(75,017)	(73,000)
Other	(16,160)	(15,000)
	(77,509)	38,000
Income Before Minority Interest	96,366	83,000
Minority Interest	(160,801)	(166,000)
Net Loss	$ (64,435)	$ (83,000)
Net Loss Per Common and Common Equivalent share	$ (.02)	$ (0.03)
Weighted Average Number of Common and Common Equivalent Shares Outstanding	3,402,912	3,278,000

See notes to unaudited condensed consolidated financial statements.

WISCONSIN PHARMACAL COMPANY, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Six Months Ended March 31	
	1992	1991
Operating Activities:		
Net loss	$ (64,435)	$ (83,000)
Adjustments to reconcile net loss to net cash used by operating activities:		
Minority interest in earnings of joint venture	160,801	166,000
Depreciation and amortization	122,941	69,000
Patent lawsuit provision reversal	(687,458)	--
Payment of prepaid royalties	--	(1,215,000)
Changes in operating assets and liabilities	(2,271,562)	(1,709,000)
Net Cash Used by Operating Activities	(2,739,713)	(2,772,000)
Investing Activities:		
Acquisition of assets	--	(25,000)
Purchases of equipment and leasehold improvements	(279,371)	(123,000)
Distribution to joint venture partner	(190,692)	(166,000)
Net Cash Used by Investing Activities	(470,063)	(314,000)
Financing Activities:		
Increase in notes payable to bank	1,750,000	--
Costs of initial public offering	--	(203,000)
Payments of long-term debt and capital lease obligations	(26,495)	(199,000)
Issuance of Common Stock	13,511	--
Payment of notes payable	(25,000)	--
Net Cash Provided (Used) by Financing Activities	1,712,016	(402,000)
Decrease in Cash and Cash Equivalents	(1,497,760)	(3,488,000)
Cash and Cash Equivalents at Beginning of Period	1,546,508	4,571,000
Cash and Cash Equivalents at End of Period	$ 48,748	$ 1,083,000
Non cash transactions:		
Redeemable Common Stock isued in settlement of patent lawsuit and for acquisition of related patent	$ 1,685,700	$ --
Long-term debt cancelled as consideration for exercise of common stock under option	500,000	--

WISCONSIN PHARMACAL COMPANY, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS - Continued
(Unaudited)

	Six Months Ended March 31	
	1992	1991
Non-Cash Transactions (continued):		
Patent acquired in exchange for Common Stock	$ 862,000	$ --
Capital lease obligations incurred for equipment	14,163	18,000
Notes payable incurred in acquisition of assets	--	75,000

See notes to unaudited condensed consolidated financial statement.

WISCONSIN PHARMACAL COMPANY, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
March 31, 1992
(Unaudited)

NOTE A - Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have bee prepared in accordance with generally accepted accounting principles for interi financial information and the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consistin of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the first six months ended March 31, 1992 are not necessarily indicative of the results that may be expected for the fiscal year ended September 30, 1992. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's annual report on Form 10-K for the fiscal year ended September 30, 1991.

NOTE B - Income (Loss) Per Common and Common Equivalent Share

Income (loss) per Common and Common Equivalent share is based on the weighted average number of shares of Common Stock and common stock equivalents, if dilutive, outstanding during the period.

NOTE C - Inventories

The components of inventory consist of the following:

	March 31, 1992	September 30, 1991	March 31, 1991
Raw materials and packaging..	$ 1,606,427	$ 922,025	$ 1,182,000
Work-in-process.....	85,691	23,908	69,000
Finished Goods.....	1,152,274	735,621	995,000
	$ 2,844,392	$ 1,681,554	$ 2,246,000

NOTE D - Stockholders' Equity

On September 30, 1991 options to purchase 6,000 shares of Company Common Stock at $7.50 per share (the market value at the date of grant) were granted to each of the two non-employee board of director nominees. For each of these directors, options to purchase 3,000 shares of Company Common Stock became exercisable on March 31, 1992, 1,500 options become exercisable on March 31, 1993 and 1,500 options become exercisable on March 31, 1994.

On November 1, 1991 and January 8, 1992 the Company granted options under the 1990 Stock Option Plan to purchase 35,600 and 5,000 shares of Company Common Stock at $7.75 and $16.00 per share, respectively (the market value at the date of grant) to 23 and one key employees, respectively.

On December 13, 1991 options to acquire 105,263 shares of Common Stock at $4.75 per share were exercised and Common Stock issued in connection with the April 6 1991 Management Services Agreement. The option holder cancelled the outstandin $500,000 note payable due them which was scheduled to mature in June 1996 as payment for the aggregate exercise price of the options. Additional options (194,737) available under the Management Services Agreement remain unexercised at March 31, 1992. In addition, in the second quarter of fiscal 1992 3,860 shares of Common Stock were issued upon exercise of Common Stock options at an average exercise price of $3.50 per share.

At May 11, 1992 the Company has reserved a total of 571,877 shares of Common Stock for the exercise of options and warrants outstanding.

NOTE E - Income Taxes

There is no tax provision provided for the six month periods ending March 31, 1992 and 1991 because the Company is in a net operating loss carry forward position.

NOTE F - Patent Asset, Lawsuit and Redeemable Common Stock

On January 11, 1992 the Company entered into a settlement and assignment agreement (the Agreement) with the plaintiff concerning the outstanding patent infringement suit which affected sales of the Company's "Baitmate Max" chemical fish attractant product. Under the Agreement the plaintiff dismissed the lawsuit and claims against the Company and the Company received an assignment o the related patent (subject to a license which would allow the plaintiff the opportunity to continue to sell their related products) in exchange for the issuance of 135,000 shares of the Company's Common Stock. The Company also agreed to use its best efforts to register the shares for sale to the public an also guaranteed that it would buy back any shares at $11.00 per share if so requested, within 120 days after the date the shares have been registered. The Common Stock, with a fair value of $12.80 per share ($1,728,000), less estimate costs to register the shares ($42,300), or $1,685,700 has been recorded as an increase in stockholders' equity ($200,700) and Redeemable Common Stock ($1,485,000). Upon expiration of the Company's obligation to repurchase the shares, the $1,485,000 will be reclassified to stockholders' equity. The Company filed a registration statement with the Securities and Exchange Commission on April 16, 1992 to initiate registration of these shares.

NOTE F - Patent Asset, Lawsuit and Redeemable Common Stock-Continued

The fair value of the Common Stock issued in January 1992 ($1,728,000) plus costs incurred in connection with the lawsuit ($446,542) were less than the patent acquired ($862,000) and the previous provision recorded in connection with the lawsuit ($2,000,000) by $687,458, which amount has been reflected as a income in January 1992.

NOTE G - Reality License Agreement

On February 12, 1992, the licensor of Reality notified the Company that it deemed the $1,215,600 in minimum royalty payments made by the Company in fiscal 1991 to be made to retain exclusive rights to manufacture and market Reality in the United States of America (USA) and in Canada rather than as prepaid royalties. On April 9, 1992, the Company and the licensor agreed that the fiscal 1991 payments are prepaid royalties; provided, however, that the parties also agreed that any future shortfall (i.e., the excess of the minimum royalty payments over actual royalty payments) under the USA and Canada Reality license agreements would be treated as exclusivity payments and not as prepaid royaltie and that the parties would also revise the royalty schedule under the U.S. Agreement to provide that the royalty on the first 12,500,000 units of Reality sold will equal the greater of (1) $.19 or (2) 15.8% of the net sales price, an the royalty schedule under the Canada Agreement to provide that the royalty on the first 12,500,000 units of Reality sold will equal the greater of (1) $.13 (Canadian) or (2) 10.875% of the net sales price.

Also on April 9, 1992, the Company entered into a license agreement for Reality covering Mexico and agreed to enter into a license agreement for Argentina. Concurrently, the Company gave up its option rights to enter into an agreement for South Korea.

The license agreement for Mexico ("Mexico Agreement") provides for a 20-year term which can be renewed for an additional 25-year term. During the 24 months following "Post-FDA Date" (date which is 9 months after the date the FDA grants approval for marketing Reality in the USA), the Company will pay the licensor a royalty equal to the greater of 9.2% of the net sales of Reality in Mexico or $.11 per unit, and 9.2% of the net sales thereafter.

For the license under the Mexico Agreement to remain exclusive, the Company mus notify the licensor on or before March 31, 1993 that it wants to continue its license on an exclusive basis, and fulfill the following obligations (noncompliance with any of the following except item 2 may result in terminatio of the Mexico Agreement):

NOTE G - Reality License Agreement - Continued

1. Pay $350,000 in minimum royalties on or before November 30, 1993.

2. Pay to the licensor additional gross royalties of at least $400,000 during the 12-month period preceding the "Mexico Royalty Date" (the first to occur of (a) the later of (i) one year after the Post-FDA Date or (ii) November 30, 1993; or (b) November 30, 1994) and $400,000 (adjusted for inflation) for each subsequent 12-month period thereafter, each in addition to the $350,000 notes above.

3. Spend a minimum amount on the development of medical endorsements and other marketing and promotion of Reality of $450,000 during the period up to and including the first year following the Post-FDA Date and a cummulative amoun of $750,000 in the period up to and including the second year following the Post-FDA Date. Such expenditures must be a least 20% of net Reality sales i Mexico for each year thereafter.

4. Following the Post-FDA Date, order from the licensor 750,000 packaged units of Reality as soon as practicable and, within 10 months after the Post-FDA Date, ship 1,400,000 packaged units.

The Mexico Agreement will become nonexclusive if the Company does not meet the requirements of item 2 above. The Company may also elect to retain its license on a nonexclusive basis for the remaining term of the Mexico Agreement if it delivers a notice to the licensor on or before March 31, 1993 or during the 30-day period prior to (a) the commencement of the second 12 months following the Post-FDA Date or (b) each subsequent 12-month period. If the Company elects to retain its license on a nonexclusive basis, or if the license otherwise becomes nonexclusive, the Company's obligations under items 1, 2 and 3 above are eliminated.

As part of the Mexico Agreement, the Company has the exclusive right until December 31, 1992, and the nonexclusive right thereafter, to apply for and agrees to apply for approval of the equivalent in Mexico of the FDA in the USA (referred to as the "MFDA"). If such application to the MFDA has not been made on or before December 31, 1992, the licensor has the right to (a) grant another person or entity the right to make, or itself make, such an application, and (b) to terminate the Mexico Agreement.

NOTE H - Building Lease

On May 1, 1992 the Company entered into a new commercial building lease coverin its office and manufacturing facility in Jackson, Wisconsin. The previous leas covering these facilities was cancelled upon the completion of the construction of approximately 30,000 square feet of additional warehouse space by the landlord. The landlord includes an officer/stockholder of the Company and a third party. The new lease provides for a term of fifteen years (expiring February 2007) with initial annual rentals of $301,260 which are payable monthly. Annual rentals are adjusted July 1, 1993 and every third year thereafter for any increase in the cost-of-living as measured by the Consumer Price Index. The new lease provides for a purchase option similar to that of the previous lease.

MANAGEMENT'S DISCUSSION AND ANALYSIS

OF

FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

Net product sales for the three and six month periods ended March 31, 1992 and 1991 were as follows:

	Three Months Ended March 31		Six Months Ended March 31	
	1992	1991	1992	1991
Repel	$1,925,528	$1,387,155	$1,954,693	$1,649,987
Baitmate	1,413,637	1,013,394	1,737,072	1,271,133
Chlorazene	414,319	480,429	775,974	810,568
Potable Aqua	177,921	260,534	315,672	481,992
Private Label & Other	5,840	100,588	36,670	140,706
Sting-Eze	173,807	123,973	180,685	136,331
SunDown	109,235	58,509	152,096	58,509
Disposer Care	16,888	38,080	16,888	92,436
Net Product Sales	$4,237,175	$3,462,662	$5,169,750	$4,641,662

Components of changes in Repel and Baitmate net product sales were as follows for the periods indicated.

	Three Month Ended March 31, 1992 vs March 31, 1991			Six Months Ended March 31, 1992 vs March 31, 1991		
	Volume	Price	Total	Volume	Price	Total
			(in millions)			
Repel						
Two largest customers	$ .7	-	$ .7	$ .5	-	$ .5
Others	(.2)		(.2)	(.2)		(.2)
Total	$ .5	-	$ .5	$ .3	-	$ .3
Baitmate						
Two largest customers	$ .1	-	$ .1	$ (.1)	-	$ (.1)
Others	.3	-	.3	.5	-	.5
Total	$ .4	-	$ .4	$ .4	-	$ .4

MANAGEMENT'S DISCUSSION AND ANALYSIS

OF

FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued

Three Months Ended March 31, 1992 Compared to Three Months Ended March 31, 1991

1992 results include a $687,458 credit to income related to the reduction of th $2,000,000 provision recorded at September 30, 1991 in connection with the Baitmate Max patent infringement lawsuit which was settled on January 11, 1992.

Net product sales increased $774,513 or 22.4% in 1992 compared to 1991. Repel sales increased $538,373. Repel sales to one of the Company's largest customer increased $.7 million as a result of product volume increases with this custome (including $.6 million due to increased volume on existing products and $.1 million from this customer carrying new products). The $.2 million reduction i Repel sales volume with "other" customers is generally believed to be due to th variability in timing of orders by customers for this seasonal product.

Baitmate sales increased $.4 million for the quarter as a result of increased product sales volume. Same product sales were down $.2 million and flat to the Company's two largest customers and others, respectively. The $.2 million decrease was primarily the result of lower opening season orders with one of th Company's two largest customers. Sales of the Company's new Baitmate Ultimate Baits product (which were first shipped to the trade in this quarter) aggregate $.5 million for the quarter.

Private label sales revenues are not normally comparable between quarters as revenues relate to specific projects which generally vary throughout the year.

SunDown sales were lower in 1991 because the Company first introduced SunDown i February 1991.

Gross margin as a percent of net product sales was comparable at 43.5% in 1992 compared to 43.9% in 1991.

Selling expense increased to 30.0% of net product sales compared to 23.0% in 1991 as a result of selling and marketing costs related to introducing the new Baitmate Ultimate Bait product, expanded co-op advertising programs with major accounts, participation in the National Parks advertising program this year and the addition of new sales personnel, as follows:

	% of Net Product Sales for Three Months Ended March 31, 1992
* Baitmate Ultimate Baits sales and marketing	3.1%
* Expanded co-op advertising	3.0%
* National parks advertising program	1.0%
* Increase in sales and marketing personnel	.4%
* Other - net	(.5)
	7.0%

MANAGEMENT'S DISCUSSION AND ANALYSIS

OF

FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued

General and administrative expenses increased by $107,554 compared to 1991. Legal expense increased approximately $48,000. This increase was attributed to the Company's on-going action against Colgate-Palmolive ($36,000), regulatory items ($9,000) and other ($3,000). Approximately $36,000 of the increase in general and administrative expenses resulted from additional personnel and $24,000 resulted from increased costs related to shareholder relations, primarily as a result of increased interest in the Company by the investment community.

Research and new product development expense increased by $131,618 to $348,618 in 1992 compared to $217,000 in 1991. Research and development expense decreased approximately $117,000 in 1992 as 1991 results included costs incurre in connection with clinical studies on Reality for inclusion in the PMA (Pre-Marketing Approval) application to the United States Food and Drug Administration (FDA) which was made in October 1991. New product development expense increased by approximately $149,000 in 1992 primarily as a result of th Company's October 1991 PMA submission and the January 31, 1992 FDA Advisory Panel review of the PMA for Reality. In addition, the Company incurred approximately $100,000 in 1992 in connection with the development of its new Baitmate Ultimate Bait product.

Net interest expense increased to $49,000 compared to net interest income of $9,000 in the prior year quarter. Remaining proceeds from the Company's July 1991 public offering of common stock (which were invested in short-term investments in 1991) have been used in 1992, along with advances on the Company's working capital line of credit, to fund business growth.

Six Months Ended March 31, 1992 Compared to Six Months Ended March 31, 1991

1992 results include a $687,458 credit to income related to the reduction of th $2,000,000 provision recorded at September 30, 1991 in connection with the Baitmate Max patent infringement lawsuit which was settled on January 11, 1992.

Net product sales increased $528,088 or 11.4% in 1992 compared to 1991. Repel sales increased $304,706. This increase was a result of volume increases totaling $.5 million (of which 85% was due to increased volume on same product sales) with one of the Company's largest customers. The decrease in sales of Repel to "other" customers totaled approximately $.2 million and was generally due to lower sales volume. Management believes that this decrease is due to th timing of purchases of this seasonal product.

Baitmate sales increased $.4 million in 1992 compared to 1991. Same product sales were down $.1 million compared to the prior year. Decreases in same product sales to the Company's two largest customers of $.3 million were partially offset by increases with the Company's "other" customers of $.2 million. The decrease in Baitmate sales to the Company's two largest customers is generally due to higher, opening order sales on new product introductions in the prior year ($.1 million) and lower sales at one of the Company's largest customers, which the Company believes is due to inventory control changes at that customer.

MANAGEMENT'S DISCUSSION AND ANALYSIS

OF

FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued

New product sales increased $.5 million as a direct result of the introduction of the new Baitmate Ultimate Baits product category, including approximately $. million to one of the Company's largest customers with the remaining $.3 millio due to sales to the Company's "other" customers.

Potable Aqua sales decreased $166,320 or 34.5% compared to the prior year. Approximately $76,000 of this decrease is due to lower sales to one distributor who lost a major national chain store account in 1992.

Private label and other sales decreased $104,036 compared to the prior year. Approximately $87,000 of this decrease relates to a seasonal order which was shipped in March 1991 and which is not expected to be shipped until May 1992. Additionally, sales were lower is 1992 as a result of a $60,000 sale to one customer in 1991 which will not repeat in 1992. The remaining $43,000 increase in private label product sales is not deemed significant.

SunDown product sales increased $93,587 compared to the prior year. The SunDown products were first introduced by the Company in February 1991 and as a result, 1991 sales include less than six months of activity.

Disposer Care sales decreased $75,548 compared to the prior year as the Company's exlusive distributor of this product discontinued marketing this product in the first quarter of 1991. The Company is in the process of determining its course of action for future sales and marketing arrangements on this product. Royalties also decreased $75,000 in 1992 compared to 1991. Royalties are directly related to this product. See Legal Proceedings for a discussion of the Company's action against the exclusive distributor of this product.

Gross margins were comparable between 1992 and 1991 at 45.4% and 45.7%, respectively of net product sales. Differences between periods generally related to changing product sales mix.

Selling expense increased to 31.4% of net product sales compared to 25.6% in 1991 as a result of selling and marketing costs related to introducing the new Baitmate Ultimate Bait product, expanded co-op advertising programs with major accounts, participation in the National Parks advertising program in 1992 and the addition of new sales personnel as follows:

	% of Net Product Sales for Six Months Ended March 31, 1992
• Baitmate Ultimate Baits sales and marketing	1.8%
• Expanded co-op advertising	1.9%
• National Parks advertising program	1.0%
• Increase in sales and marketing personnel	.7%
• Other - net	.4%
	5.8%

MANAGEMENT'S DISCUSSION AND ANALYSIS

OF

FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued

General and administrative expenses increased by $120,663 or 20.9% compared to 1991. This increase is attributed to increased personnel costs of $75,000 (of which $63,000 relates to new personnel), increased shareholder relations expenses of $24,000 (primarily as a result of increased interest in the Company by the investment community) reduced legal expenses of $6,000 (including a $70,000 reduction in legal expenses related to the Baitmate Max patent infringement lawsuit, a $44,000 increase in legal expenses related to the Colgate-Palmolive litigation, a $11,000 increase in legal expense regarding regulatory matters and a $9,000 other increase), a $19,000 increase in depreciation as a result of the 1991 leasehold improvement program which was completed in the first quarter of 1992 and approximately a $9,000 increase in other expenses.

Research and new product development expense increased by $227,528 to $539,528 in 1992 compared to $312,000 in 1991. Research and development expense decreased by approximately $89,000 in 1992 compared to 1991 as 1991 results included costs incurred in connection with clinical studies on Reality for inclusion in the PMA. New product development expense increased by approximately $317,000 in 1992. Approximately $217,000 of this increase is the result of costs incurred in connection with the October 1991 PMA submission and the January 31, 1992 FDA Advisory Panel review of the PMA for Reality. In addition, approximately $100,000 of the 1992 increase resulted from development costs incurred in connection with the new Baitmate Ultimate Bait product.

Net interest expense increased to $61,349 compared to net interest income of $53,000 in the prior year. Remaining proceeds from the Company's July 1990 public offering of common stock (which were invested in short-term investments in 1991) has been used in 1992, along with advances on the Company's working capital line of credit, to fund business growth.

FINANCIAL CONDITION

The Company continues to build inventory as it enters the third fiscal quarter which has traditionally been its peak quarter for sales of its seasonal products. The Company's backlog of unfilled orders was $1,151,064 at May 8, 1992 compared to $1,103,375 as of May 8, 1991. Trade receivables increased by $1,015,005 at March 31, 1992 compared to March 31, 1991. This increase is due to higher overall sales for the quarter and the timing of the sales within the quarter. The percentage of trade receivables with "dating" or extended season terms was 24.5% at March 31, 1992 compared to 41.6% at March 31, 1991.

Prepaid expenses were comparable between March 31, 1992 and September 30, 1991. Prepaid expenses were higher at March 31, 1992 compared to March 31, 1991 by $217,537. This increase is the result of additional and more extensive product brochures, up-front payments relating to the second half installment of the new seasonal advertising program in 1992 with The American Park Network System and costs relating to securing the Company's working capital credit facility.

MANAGEMENT'S DISCUSSION AND ANALYSIS

OF

FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued

Patent asset increased by $862,000 as a result of the acquisition of the patent on the chemical fish attractant in January 1992, less $7,000 of amortization.

Capital expenditures in 1992 were $293,534 compared to $141,000 in the corresponding period in the prior year. Current year capital expenditures include approximately $122,000 related to the completion of the Company's leasehold improvement program which was begun in 1991, $52,000 for equipment related to the new Baitmate Ultimate Baits and $16,000 for new computer equipment to directly communicate with one of the Company's largest customers. The Company also purchased new product registrations totaling $30,000 which wil allow it to sell new formulations of its Repel Insect Repellent.

The increase in notes and accounts payable from March 31, 1991 and September 30 1991 to March 31, 1992 is a result of the growth in inventories and receivable associated with increased product sales and due to seasonality of those sales, respectively.

Debt decreased by $512,332 from September 30, 1991 to March 31, 1992 primarily as a result of the cancellation of the $500,000 term note payable to a stockholder in consideration for payment of the exercise price on common stock options which were exercised in December 1991.

LIQUIDITY AND SOURCES OF CAPITAL

A significant portion of the Company's product sales are seasonal in nature wit 74% of fiscal 1991 revenues being recorded in the second and third quarters of that year. In addition, certain products carry extended pre-season "dating" terms in accordance with industry practice. As a result of these factors, the Company's working capital needs are generally the greatest in the second and third quarters of the fiscal year and then are reduced through the fiscal year end.

Prior to the Company's July 1990 initial public offering of common stock (the "IPO"), the Company's main sources of capital to fund obligations under various licensing agreements were from operations, notes payable and preferred stock issued to the Company's major stockholders and from bank borrowings. Exclusive of royalty payments, product development and research and development costs incurred in connection with Reality and a diet-aid product, the Company had positive cash flow from operations of approximately $549,000 and $377,000 for fiscal years 1991 and 1990, respectively.

In July 1990, the Company netted approximately $6,600,000 from its IPO. A portion of the proceeds was utilized to pay off certain short-term stockholder debt originally incurred in connection with expenditures related to Reality and a diet-aid product. Short-term bank debt was paid off (including the payment o $250,000 as a prepayment penalty).

MANAGEMENT'S DISCUSSION AND ANALYSIS

OF

FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued

Further, in fiscal 1991 scheduled debt payments on notes due to stockholders ($537,800), prepaid royalty obligations ($1,215,600--see discussion below), research and development expenditures relating to Reality ($415,690) and paymen of approximately $203,000 of accrued IPO-related expenses were made. At March 31, 1992 the remainder of the IPO proceeds have been invested in the business t fund seasonal inventory and accounts receivable buildup.

The Company's $4,500,000 line-of-credit with a bank is available to provide working capital requirements. Availability of funds under the line of credit i: based on a percent of qualifying receivables and is subject to compliance with various financial ratios and covenants. As of March 31, 1992 the Company had approximately $490,000 available under its bank revolving credit agreement. Th ability of the Company to repurchase Common Stock issued in connection with the patent acquisition and related patent infringement lawsuit is restricted by the bank.

The Company has elected to retain its exclusive rights to sell Reality in the United States and Canada and, as a result, made additional royalty payments of $1,000,000 (United States) and $215,600 (Canada) on March 31, 1991. The Compan has significant future cash requirements in connection with its obligations under the Reality License Agreements for the United States, Canada and Mexico.

Additional cash requirements under the License Agreements are partially dependent upon the date that the Company receives approval from regulatory authorities to sell Reality in the respective countries (see Note G to the unaudited condensed consolidated financial statements). Presently the Company does not know when Reality will receive such regulatory approvals; however, the Company hopes to obtain such approvals in the U.S. during 1992.

In order to retain the exclusivity of its licenses with respect to Reality, the Company will be obligated to make minimum royalty payments for the United State: license aggregating an additional $2,625,000 prior to August 31, 1992 and $3,000,000 per year thereafter, and payments for the Canada license aggregating an additional $300,000 (Canadian) prior to August 31, 1992 and $300,000 (Canadian) per year thereafter. For the United States, the Company will be required to make marketing and promotional expenditures aggregating at least $3,000,000 (less approximately $1,010,000 already spent primarily on medical marketing and promotion) through the first year following FDA approval of Reality and an additional $7,000,000 during the second year following FDA approval. The Company will have royalty, promotional expenditure and shipment requirements for Mexico.

For Canada, the Company will be required to make medical, marketing and promotional expenditures aggregating at least $500,000 (Canadian) through the first year following Canadian approval of Reality and an additional $900,000 (Canadian) during the second year following Canadian approval. Under the Unitec States license agreement, the Company will also have to purchase and ship at least 10,000,000 units of Reality within 8 months after receiving FDA approval. Under the Canadian licensing agreement, the Company will have to purchase and ship at least 800,000 units of Reality within 8 months after receiving Canadian approval.

MANAGEMENT'S DISCUSSION AND ANALYSIS

OF

FINANCIAL CONDITION AND RESULTS OF OPERATIONS - Continued

LIQUIDITY AND SOURCES OF CAPITAL-Continued

The Company will have similar royalty, promotional expenditures and shipment requirements for Mexico.

In addition to those estimated minimum cash requirements above, the Company has maturities of long-term obligations of $51,000 in fiscal 1992, $33,000 in 1993, $25,000 in 1994, $27,000 in 1995 and $22,000 in 1996. The level of capital expenditures is expected to be approximately $450,000 in fiscal 1992.

As of March 31, 1992 the Company was not in compliance with its interest coverage ratio with the bank. The Company will be seeking a waiver of this default.

The Company believes that currently available cash and cash equivalents, bank borrowings under the $4,500,000 credit facility and cash flow from operations will be sufficient to meet the Company's working capital needs, maturing long-term obligations and anticipated capital expenditures through July 31, 1992 (the date the line of credit with a bank expires). Depending on when final regulatory approvals for Reality are received, it is probable that the Company will need to seek additional sources of financing in 1992 to finance the royalty and promotional expenditures discussed above and anticipated growth in inventories and receivables resulting from Reality. The Company is considering various options to market Reality. These include direct marketing by the company and the appointment of a larger company as a corporate partner to market the product. The Company is actively exploring these options and is holding discussions with several potential partners. The capital required to market Reality may vary significantly, depending on the option selected. If the company elects to market Reality directly, it will require substantial additional capital. This could be sourced through an equity offering. However, there is no assurance that the Company would be successful in raising the necessary capital. The Company may avoid additional minimum royalty payments and marketing expenditure requirements by electing to market the product on a nonexclusive basis.

IMPACT OF INFLATION AND CHANGING PRICES

Although the Company cannot accurately determine the precise effect of inflation, the Company has experienced increased costs of product, supplies, salaries and benefits, and increased general and administrative expenses. The company's obligations under the Reality license agreements are required to be adjusted periodically for the effects of inflation. The Company attempts to pass on increased costs and expenses by increasing selling prices, when possible, and by improved efficiencies of operations.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

On January 24, 1991 the Company commenced legal action against Colgate-Palmolive Company and its subsidiary, Softsoap Enterprises Inc., as third party licensees of the Company's Disposer Care product. The complaint seeks damages for lost royalties under the license agreements and profits based upon a requirements purchase agreement which was part of the license. The licensee has paid a total of $1,500,000 in royalties to the Company. In December 1991, the Company received notice from the licensee of its intention to terminate the license agreement effective December 31, 1991 and transfer the marketing rights back to the Company.

The Company is not involved in any other material pending legal proceedings other than ordinary routine litigation incidental to its business.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

a.) Exhibits - The following exhibits are included herein:

10.39 - Commercial building lease dated May 1, 1992

11-Statement Re: Computation of Earning (Loss) Per Share

b.) Reports on Form 8-K filed in the second quarter of fiscal 1992.

None.

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

WISCONSIN PHARMACAL COMPANY, INC.

DATE: May 13, 1992

John A. Wundrock, President
and Chief Executive Officer

Thomas J. Polnaszek, Vice President-
Finance and Chief Financial Officer

21/22

EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION
4.1	Articles of Incorporation as amended*
4.2	Articles II, VII, and XI of the By-Laws of the Company*
10.36	Fourth Amendment to Revolving Credit Agreement dated February 24, 1992.**
10.37	1992 Amendment to License Agreement between Chartex International and the Company dated April 9, 1992.**
10.38	License Agreement for Mexico between the Company and Chartex International dated April 9, 1992.**
10.39	Commercial building lease dated May 1, 1992 covering the Jackson, Wisconsin office and manufacturing facility.
11	Statement Re: Computation of Earnings (Loss) Per Share.

*Incorporated herein by reference to the Company's Registration Statement on Form S-18, Registration No. 33-35096, as filed with the Securities and Exchange Commission on May 25, 1990.

**Incorporated herein by reference to the Company's Registration Statement on Form S-1, Registration No. 33-47320, as filed with the Securities and Exchange Commission on April 16, 1992.

COMMERCIAL BUILDING LEASE

This Lease is made and entered into as of the 1st day of May, 1992, by and between John A. Wundrock and John C. Dowd (together, "Landlord") and Wisconsin Pharmacal Company, Inc., a Wisconsin corporation ("Tenant").

RECITALS

For and in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

AGREEMENTS

1. Prior Lease Superseded. This Lease terminates and supersedes the Commercial Building Lease dated August 1, 1989 by and between Landlord and Tenant.

2. Premises. Landlord leases to Tenant and Tenant accepts from Landlord the property described in Exhibit A attached hereto together with all improvements now or hereafter located on such property (the "Premises"); which term shall not include any part of the Premises taken in any manner for public or quasi-public use or purpose.

3. Term. The term of this Lease is fifteen years commencing as of the 1st day of May, 1992, and expiring at midnight on February 28, 2007, unless extended or sooner terminated as hereinafter provided (the "Lease Term"). The term "Lease Year" as used herein shall mean a period of 12 consecutive calendar months. Lease Years shall run consecutively, each commencing upon an anniversary of the commencement of the first Lease Year.

4. Rent. Tenant shall pay to Landlord rent for the Premises as follows:

(a) Manner of Payment. All rent shall be paid in equal monthly installments in advance on the first day of each and every month at the office of Landlord, or at such other place as Landlord may designate in writing.

(b) Amount of Rent; Security Deposit; Late Payment.

(i) In the first year of the Lease Term, Tenant shall pay Landlord the annual rent of $301,260 payable in equal monthly installments of $25,105. This rental shall be adjusted on July 1, 1993 and on every July 1st of every third year (1996, 1999, 2002, 2005, etc.) during the Lease Term or any extension thereof to reflect any increase in the cost of living from July 1, 1990 as hereinafter provided. The annual rent shall be increased by a percentage which equals the percentage by which the Consumer Price Index entitled "Consumer Price Index, United States City Average for All Urban

23/34

Consumers, for All Items (1982-84 = 100)" published by the Bureau of Labor Statistics of the United States Department of Labor, increases during the previous 36 months. In the event the Bureau of Labor statistics ceases publishing the Consumer Price Index, or materially changes the method of its computation, Landlord and Tenant shall negotiate in good faith the selection of a comparable index upon the purchasing power of the consumer dollar, as published by a responsible financial periodical or recognized authority at the time of such discontinuation or change. The addition or deletion of individual items in the publication of the Consumer Price Index shall not be deemed to be a material change in its method of computation for purposes of this paragraph.

(ii) If any monthly lease payment is received by Landlord more than 15 days after its due date, a late payment charge equal to 5% of the monthly lease payment shall be added to the payment.

5. Holding Over and Extension. In the event Tenant shall continue to occupy the Premises after the expiration of the Lease Term, such holding over shall be deemed to constitute a tenancy from month to month, upon the same terms and conditions as herein provided, and in no event shall the tenancy be deemed to be from year to year. Landlord may, at his option, extend the term of this Lease for a period equal to the period of any rental cessation pursuant to Paragraph 14 of this Lease but in no event shall such extension exceed six months. At the end of the initial term or any renewal term, Tenant may, at its option, extend the term of the Lease for another five-year term by giving notice in writing to Landlord at least six months prior to the expiration of the Lease Term. Without limiting the foregoing rights of Tenant, if Landlord seeks, at any time during Tenant's occupancy of the Premises, to lease the Premises to a third party, Landlord shall give Tenant written notice stating the terms of the lease and the identity of the prospective tenant and Tenant shall then have an option, exercisable in writing within 30 days of receipt of the foregoing notice, to enter into a lease for the Premises on terms no less favorable then those stated in the notice.

6. Net Lease. It is the purpose and intent of Landlord and Tenant that the rent shall be absolutely net to Landlord; that is, that this Lease shall yield, net to Landlord, the rent specified in section 3 above. Except as expressly provided herein, all costs, expenses and obligations of every kind and nature relating to the Premises shall be paid by Tenant, or paid by Landlord and reimbursed by Tenant.

7. Certain Tenant Rights.

(a) Purchase Option. At any time after July 31, 1992, Tenant shall have the option to purchase the premises from Landlord at a cash price equal to the greater of (i) $1,600,000 plus [a] the cost of any additions subsequent to July 31, 1989 made by Landlord and [b] by 5% per annum after July 31, 1989; or (ii) the value of the premises as determined by an appraisal conducted by an appraiser

24/44

satisfactory to both Landlord and Tenant at the time of Tenant's exercise of the option provided herein.

(b) First Refusal. If, at any time during this Lease Term or any renewal term, Landlord receives a bona fide third-party offer to purchase the Premises (the "Offer"), Landlord shall promptly notify Tenant of the price and terms of the Offer and the identity of the prospective purchaser. Tenant shall then have an option, exercisable by notice in writing to Landlord, to purchase the Premises for the same price and on the same or substantially equivalent economic terms as contained in the Offer.

8. Condition of Premises. Tenant has inspected the Premises and knows the condition thereof, and acknowledges that no warranties, express or implied, are made with respect thereto. By occupying the Premises as a tenant, Tenant shall be deemed to have accepted the same and to have acknowledged that the Premises are in the condition required by this Lease.

9. Insurance. Tenant shall procure and maintain during the Lease Term a policy or policies insuring against fire, loss, theft and extended coverage insurance on the Premises, insuring same for not less than 95% of the full replacement cost thereof. In the event of damage to the Premises, Tenant is required to use any proceeds of said insurance to replace all or any part of the Premises. Landlord may, at his option, also procure and maintain Rental Insurance during the Lease Term a loss of rent insurance policy commensurate with the rents recited herein. Tenant hereby agrees to pay to and reimburse Landlord in equal monthly installments or upon demand, as additional rent, the amount of the premiums for said rent insurance policy.

10. Utilities. Tenant shall be responsible for all water, heat, gas, electricity, air conditioning, refrigeration and power and any other utility services used by the Premises. Tenant shall pay any sewer charge or assessment which any municipality or public or private utility may levy for furnishing sewerage or similar services to the Premises.

11. Repairs and Maintenance. Tenant, at his own expense, shall maintain, replace and keep in good repair the Premises, in compliance with all applicable laws, statutes, municipal and zoning ordinances, and shall upon the expiration of the Lease Term deliver up the Premises in as good condition and repair as received, reasonable wear and tear excepted; it being understood that the obligation of Tenant to perform maintenance repairs and replacements to the Premises shall include, but not be limited to, the maintenance, repair and replacement of all plumbing fixtures and facilities, heating, ventilating, air conditioning and refrigeration systems, electrical fixtures, interior and exterior water, sewer and gas lines, replacement of all glass which may become broken or cracked during the Lease Term, parking and other exterior areas and driveways, painting and the repair of any damage caused to the foundation, walls, roof and other structural portions of the Premises. Tenant shall not be liable

25

for damage to the Premises caused by the negligence of Landlord, his employees or agents.

12. Landlord Not Liable for Damage. Landlord shall not be liable for any loss or damage to persons or to the property of Tenant or of his employees or invitees occasioned by or resulting from defects in electric wiring, plumbing, gas, water heating, sewer or other pipes, or radiator bursting, leaking, running or stoppage or overflow of any boiler, tank, washstand, tub, toilet or waste pipe in or upon the said Premises, nor for any damage occasioned by water, snow, ice or anything being upon or coming through the roof, walls or windows of the Premises, or by breakage of glass windows, doors or other lites, nor for damage arising from acts or neglect of occupants of adjacent or contiguous property.

13. Use of the Premises. Tenant agrees that he will use the Premises for proper business purposes in compliance with all applicable laws, ordinances and regulations of federal, state and local governments, and for no other purpose. No part of the Premises shall be occupied or used by any person for any purpose or in a manner so as to increase the insurance risk or prevent the obtaining of insurance, or so that, in accordance with any requirement of law or any public authority, Landlord shall be obliged to make any addition or alteration to or in the Premises.

14. Conduct of Business. Tenant agrees during the Lease Term to carry, maintain and pay for fire and extended coverage insurance on his inventory, fixtures and leasehold improvements, to the reasonable value thereof. Such insurance shall be written by insurance companies approved by Landlord and shall waive any subrogation rights against Landlord. Tenant shall not carry any stock of goods or do anything in or about the Premises which will in any way impair or invalidate the obligation of any policy of insurance relating to the Premises. Tenant agrees to pay upon demand, as additional rent, any increase in insurance premiums resulting from the business carried on in the Premises by Tenant, whether or not Landlord has consented to same. If Tenant installs any electrical equipment which overloads the electrical facilities, it shall, at its own expense, make whatever changes are necessary to comply with the requirements of the insurance underwriters and governmental authorities having jurisdiction.

15. Covenant to Hold Harmless and Public Liability Insurance. Tenant agrees to indemnify and save Landlord harmless from and against any and all claims, damages, costs and expenses, including reasonable attorneys' fees, arising from Tenant's use and occupancy of the Premises. It is further understood and agreed that Landlord shall not be liable, and Tenant waives all claims, for damage to person or property sustained by Tenant, his employees or agents resulting from condition of the Premises, or such as may result from any accident in or about the Premises. Tenant agrees to carry pay the premiums for public liability insurance, insuring himself and Landlord against injury to property, person or loss of life arising out of the use and

26/24

occupancy of the Premises, with limits of at least $100,000 property damage, $500,000 for any one person and $500,000 for any number of persons injured or killed in any one accident, and shall furnish to Landlord a certificate of said insurance. Such policies of insurance shall provide that they shall not be canceled, discontinued or altered without ten days' prior written notice to Landlord. Such policies of insurance shall consent to the waiver of subrogation hereinabove set forth.

16. Partial or Total Destruction of the Premises. If the Premises shall be damaged or partially destroyed by fire or the elements to the extent of less than one third of the cost of replacement thereof above foundation, the same shall be repaired as quickly as is practicable, by and at the expense of Landlord after the application of insurance proceeds. If such damage or partial destruction shall be of such character so as to require Tenant to discontinue occupancy therein, the rentals provided for herein shall abate from the date of such closing until the Premises are again ready for occupancy. However, if such damage or partial destruction, to the extent of less than one third of the cost of replacement thereof above foundation, shall occur in the fourteenth or fifteenth Lease Years, Landlord shall not be obligated to, but may, at its option, repair the Premises.

(a) In the event said Premises are totally destroyed by fire or the elements, which total destruction shall be construed to mean damage to an extent of more than one third of the cost of replacement thereof above foundation, rentals shall be paid up to the time of such destruction and Landlord may, at his option, (i) cancel this Lease and in such event shall be under no obligation or duty to rebuild or (ii) elect to restore the Premises.

(b) If Landlord shall undertake to restore or repair the Premises, he shall initiate and pursue the necessary work with all reasonable dispatch, in a manner consistent with sound construction methods, but he shall not be liable for any delays or interruptions occasioned by strikes, casualties, critical materials in short supply, governmental regulations or any other causes beyond his control. Following the restoration of the Premises or completion of repairs thereto, possession and occupancy of said Premises shall be tendered to Tenant and rental shall commence and accrue as of that date; whereupon this Lease shall continue unabated.

17. Subordination. At Landlord's option, this Lease shall be and is subordinated to any existing mortgages covering said Premises, any extension or renewal thereof, or to any new mortgages which may be placed thereon from time to time; provided every such mortgage shall recognize the validity of this Lease in the event of a foreclosure of Landlord's interest as long as Tenant shall not be in default under any of the terms of this Lease. Tenant shall execute whatever instruments may be required to effect such subordination.

18. Notices. Whenever in this Lease it shall be required or permitted that notice be given by either party to the other, such notice shall be sent by United States certified mail addressed as follows:

To Landlord: Mr. John A. Wundrock
6941 Shady Lane
West Bend, Wisconsin 53095

and

John C. Dowd, Esq.
Suite 1050
250 East Wisconsin Avenue
Milwaukee, Wisconsin 53202-4210

To Tenant: Wisconsin Pharmacal Company, Inc.
2977 Highway 60
Jackson, Wisconsin 53037
ATTENTION: Thomas J. Bonesho, Vice President

or to such other place as the parties may, from time to time, designate in writing.

19. Notice of Default. In any 12-month period during the term of this Lease, Tenant shall be entitled to notice of no more than two defaults (in payment of rent or otherwise), thereafter, Landlord's rights in the event of default shall be exercisable forthwith without the necessity of notice and allowance of a cure period.

20. Trade Fixtures. Tenant may install fixtures, equipment and appliances for the conduct of his business upon the Premises, but Landlord shall have no responsibility or liability whatsoever for any loss or damage to the fixtures, equipment or appliances so installed or left on the Premises. Tenant agrees not to create or suffer others to create any lien or obligation against the Premises or Landlord by reason of the authorized installation aforesaid, and further, to hold Landlord harmless of and from all claims and demands of third persons in any manner relating to such installation or to Tenant's occupancy of the Premises for such purpose. The fixtures, equipment and appliances may be affixed to the building and Tenant may remove the same at will and shall remove the same at the termination of this Lease upon Landlord's request; provided, however, that all damage thereby incurred to the Premises shall be repaired by and at the expense of Tenant. Any of Tenant's fixtures, equipment or appliances not removed by Tenant prior to the termination of the Lease Term shall become the property of Landlord, at Landlord's option or Landlord may have all or any portion thereof removed and charge Tenant for the cost of such removal and any repair occasioned thereby.

21. Warranty of Quiet Possession. Landlord hereby warrants and covenants that he has full authority to execute this Lease and further agrees that Tenant, on paying rent and performing the covenants and

28/m.d

conditions of this Lease, may have and shall quietly have, hold and enjoy the Premises during the term hereof.

22. Default By Tenant and Rights of Landlord.

(a) If Tenant defaults in the timely payment of rent or any amounts due hereunder, and such default continues uncured for ten days after written notice thereof to Tenant by Landlord, Landlord may reenter the Premises, remove Tenant and all persons holding under it and terminate this Lease and repossess the Premises; provided, however, that such repossession shall not constitute a waiver by Landlord of any other rights which he might have to enforce collection of rent or other amounts due hereunder (including late payment charges) for the balance of the Lease Term or to recover damages from Tenant for such default.

(b) If Tenant defaults in the performance of any term or covenant of this Lease, other than the payment of amounts due hereunder as set forth in section 22(a) hereof, and such default continues uncured for 20 days after written notice thereof, (or in the event such default is of such a character as to require more than 20 days to cure, and Tenant fails to use diligence to cure such default), Landlord, at his option, may cure such default (and the cost and expense thereof shall be deemed to be additional rent to be paid by Tenant on the next monthly rental payment date), or Landlord may reenter the Premises, remove Tenant and all persons holding under him and terminate this Lease and repossess the Premises; provided, however, that such repossession shall not constitute a waiver by Landlord of any other rights which he might have to enforce collection of rent for the balance of the term or to recover damages from Tenant for any default.

(c) If Tenant shall vacate the Premises, or the Premises shall remain unoccupied for 60 days consecutively, or if Landlord shall obtain possession by summary proceedings for unlawful detainer on account of Tenant's failure to pay rent or repossess itself of its former estate in any manner whatsoever, after Tenant's default under the terms of this Lease, Landlord may, at his option, without terminating this Lease, enter the Premises and remove all articles found therein at Tenant's expense, and relet the Premises for the account of Tenant for such rent and upon such terms as Landlord shall approve; and, if a sufficient sum shall not thus be realized monthly (after paying the expenses of such reletting and of collecting the rent accruing from such reletting) to satisfy the rent as it becomes due to be paid by Tenant, plus Landlord's cost for remodeling such Premises for such reletting purposes, plus reasonable fees therefor, then Tenant will satisfy and pay such deficiency upon demand. The rights of Landlord hereunder shall be in addition to such rights as it might otherwise have pursuant to law, and shall be cumulative and Landlord shall not be deemed to have waived any breach or default, nor accepted any surrender of the Premises, nor to have prejudiced any rights under this Lease, or any action in reference to this Lease nor to have terminated, continued or extended this Lease by advertising

29/5

the Premises as "vacant" or "to let" or maintaining the same, or submitting the same to the inspection of any person, or by receiving from Tenant any money or keys whatsoever.

23. Bankruptcy. Neither this Lease nor any interest herein nor any estate hereby created shall pass to any trustee or receiver or assignee for the benefit of creditors or otherwise by operation of law. In the event the estate created hereby shall be taken in execution or by other process of law, or if Tenant shall be adjudicated insolvent or bankrupt pursuant to the provisions of any state or federal insolvency or bankruptcy act, or if a receiver or trustee of the property of Tenant shall be appointed by reason of Tenant's insolvency or inability to pay its debts, or if any assignment shall be made of Tenant's property for the benefit of creditors, then and in any such events Landlord may, at his option, in addition to the remedies provided herein, terminate this Lease and all rights of Tenant herein, by giving to Tenant notice in writing of the election of Landlord so to terminate. Tenant shall not cause or give cause for the institution of legal proceedings seeking to have Tenant adjudicated bankrupt, reorganized or rearranged under bankruptcy laws of the United States, and shall not cause or give cause for the appointment of a trustee or a receiver for Tenant's assets, and shall not make an assignment for the benefit of creditors or become or be adjudicated insolvent. The allowance of any petition under the bankruptcy laws, or the appointment of a trustee or a receiver of Tenant or its assets, shall be conclusive evidence that Tenant caused, or gave cause therefor, unless such allowance of the petition, or the appointment of a trustee or receiver, is vacated within 30 days after such allowance or appointment.

24. Assignment and Subleasing. Tenant shall not assign, mortgage or sell this Lease or sublet the Premises, or any portion thereof, or permit any licensee or concessionaire to operate in or use the Premises without the prior written permission of Landlord. Landlord may accept rent from any person in possession without releasing Tenant from this covenant. Landlord's right to assign or pledge this Lease is and shall remain absolute and unqualified.

25. Eminent Domain. If the whole of the Premises, or part thereof, are taken in any manner for any public or quasi-public use or purpose so as to prevent Tenant's use of the Premises, this Lease shall terminate as of the date of such taking. A partial taking, to the extent that the Premises may be restored to substantially the functional equivalent of the Premises prior to such taking, shall be treated in the same manner as a partial destruction set forth in Paragraph 14 hereof and this Lease shall remain in effect as provided in that section provided, however, that if such partial taking, or the restoration thereof, does not in any manner materially interfere with Tenant's use of the Premises, the rental under this Lease shall not abate during the restoration period. Tenant shall have no interest in any award resulting from any such taking except for items included in the award which shall have been installed and paid for by Tenant.

26. Right to Enter and View. Landlord or his representatives may enter and view the Premises for the purpose of examining the same, provided that such entering and viewing shall be done at a time and in a manner so as not to unduly interfere with the conduct of Tenant's business; and Landlord may, at any time within 180 days prior to the expiration of the Lease Term provided that Tenant shall not have theretofore given Landlord timely notice of Tenant's election to exercise the Option (as hereinafter defined), place upon the Premises a sign or signs announcing the fact that said Premises are available for rental.

27. Alterations. Except for the addition of Trade Fixtures as provided in Paragraph 20 hereof, Tenant shall make no alterations or additions in, upon or to the Premises, or any part thereof, without the consent of Landlord first had and obtained in writing. In the event such consent be obtained, all such alterations or additions shall be performed at the expense of Tenant in a first class, workmanlike manner; and Tenant covenants and agrees not to create, or suffer others to create, any lien or obligation against the Premises or Landlord by reason of the alterations or additions so authorized and further, to hold Landlord harmless of and from any and all claims and demands of third persons in any manner relating to or arising out of such work. Landlord may, at his option, require that Tenant procure a payment bond or deposit with Landlord reasonable portion of the estimated costs of such alterations as security for such payment as a condition to its approval thereof. Except as provided in Paragraph 20 hereof, all alterations or additions so made by Tenant shall become part of the realty, as a consequence of which Tenant, upon the expiration of the Lease Term or the cancellation thereof, shall have neither the right nor the obligation to remove the same.

28. Taxes. Tenant shall promptly pay when due all personal property taxes levied against Tenant's property situated on the Premises and all license fees, permits, area charges, occupational taxes and any and all other charges assessed by reason of Tenant's use and occupancy of the Premises.

Tenant, as additional rent, shall pay to Landlord each and every month during the Lease Term an amount estimated by Landlord to be sufficient to enable Landlord to pay at least 30 days before they become due, all real estate taxes and personal property taxes, if any, levied against the Premises and any special assessments, or installments thereon, which may hereafter be levied against the Premises, which apply to the Lease Term, all of which are hereby declared the obligation of Tenant under this Lease. Upon demand of Landlord, Tenant agrees to pay to Landlord such additional sums as are necessary to enable Landlord to pay the foregoing items. Tenant shall have the nonexclusive right to contest the validity or imposition of any real estate or personal property tax or special assessment levied against the Premises for which Tenant may be liable, and for that purpose shall have the right to institute such proceedings as may be necessary therefor, provided that the expenses incurred by reason thereof shall be paid by Tenant, and that Tenant shall take no action

3/4

which will jeopardize any title, interest or right Landlord has in the Premises. In the event of a change in the theory of taxation, Tenant shall pay all taxes imposed in lieu of the foregoing.

29. Proration of Costs of Certain Replacement. In the event the roof, other structural components or major mechanical systems in the Premises become so worn or obsolete that repair is impracticable and they are replaced, Landlord shall share in the replacement cost thereof in proportion to the ratio that the number of months elapsed under this Lease bears to 120 months. For example, if 80 months have elapsed, Landlord shall bear 66-2/3% of such cost.

30. Entire Agreement. This Lease and the exhibits, if any, attached hereto set forth all the covenants, promises, agreements, conditions and understandings between Landlord and Tenant concerning the Premises and there are no covenants, promises, agreements, conditions or understandings, either oral or written, between them, other than as are herein set forth. No alteration, amendment, change or addition to this Lease shall be binding upon Landlord or Tenant unless reduced to writing and signed by each party.

31. Costs of Enforcement. Tenant shall pay upon demand all Landlord's costs, charges and expenses, including the reasonable fees of counsel, agents and others retained by Landlord, incurred in enforcing Tenant's obligations hereunder or incurred by Landlord in any litigation in which Landlord, without Landlord's fault, becomes involved or concerned by reason of the existence of this Lease or the relationship hereunder of Landlord and Tenant.

32. Cumulative Remedies. All rights and remedies of Landlord herein enumerated shall be cumulative and none shall exclude any other rights or remedies allowed by law, and such rights and remedies may be exercised and enforced concurrently and whenever and as often as the occasion therefor arises, and failure on the part of Landlord to enforce any of his remedies in connection with any default shall not be deemed a waiver of such default nor a consent to any continuation thereof.

33. Binding Effect. The covenants, conditions and agreements contained in this Lease shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, administrators, successors and assigns as permitted by this Lease.

34. Governing Laws. This Lease is executed in Wisconsin with respect to real estate located in Wisconsin; its validity and interpretation shall be governed by the laws of Wisconsin.

35. Memorandum of Lease. At the request of either party hereto, a memorandum or short form of this Lease will be entered into in form approved by Tenant and Landlord and suitable for recording purposes; provided, however, that nothing herein contained shall alter or vary the terms of this Lease.

36. Covenant to Pay Rent Independent. The covenant to pay rent is hereby declared to be an independent covenant on the part of Tenant to be kept and performed and no offset thereto shall be permitted or allowed.

37. Landlord and Tenant Independent. Nothing in this Lease shall be deemed to create any relationship between the parties hereto other than that of Landlord and Tenant.

IN WITNESS WHEREOF, the respective parties have executed this Lease, or caused this Lease to be executed and sealed by their duly authorized representatives as of the day, month and year first above written.

LANDLORD:

John A. Wundrock

John C. Dowd

TENANT:

WISCONSIN PHARMACAL COMPANY, INC.

By: Thomas J. Blaszyk VP-Finance

Attest: Thomas Bruce Exec VP

Exhibit A - Legal Description

EXHIBIT 11

STATEMENT RE: COMPUTATION OF EARNINGS (LOSS) PER SHARE

	Three Months Ended March 31		Six Months Ended March 31	
	1992	1991	1992 (1)	1991 (1)
Primary:				
Average shares outstanding	3,506,242	3,278,078	3,402,912	3,278,078
Net effect of dilutive stock options and warrants--based on treasury stock method using average market price	351,097	5,979	340,288	2,382
	3,857,339	3,284,057	3,743,200	3,280,460
Net income (loss)	$ 392,976	$ 147,000	$ (64,435)	$ (83,000)
Per share amount	$ .10	$ .04	$ (.02)	$ (.03)
Fully diluted:				
Average shares outstanding	3,506,242	3,278,078	3,402,912	3,278,078
Net effect of dilutive stock options and warrants -- based on the treasury stock method using the end-of-period market price if greater than the average market price for the period	356,578	7,867	386,415	3,894
	3,862,820	3,285,945	3,789,327	3,281,972
Net income (loss)	$ 392,976	$ 147,000	$ (744,893)	$ (83,000)
Per share amount	$ .10	$ .04	$ (.22)	$ (.03)

(1) Based on average shares outstanding. Due to the net loss the net effect of dilutive stock options is anti-dilutive.